

Costa Mesa Sanitary District

....an Independent Special District

FOR IMMEDIATE RELEASE

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COSTA MESA CITIZENS ACHIEVES "100% VICTORY"
IN LEGAL CHALLENGE OF MESA WATER DISTRICT'S
MISLEADING ADVISORY BALLOT STATEMENT

(Costa Mesa, CA) - Calling it "a victory for transparency and constitutional government," Mike Scheafer, a Costa Mesa taxpayer, was successful Wednesday in gaining the removal of unconstitutionally biased language from an advisory ballot measure paid for and engineered by Mesa Water District.

"Mesa Water District has already authorized spending well over \$300,000 as part of its desired takeover of Costa Mesa Sanitary District (CMSD), and the language in the ballot statement was blatantly slanted to achieve this goal," said Scheafer, who is also CMSD Board President . "We're not in this to persuade people how to vote, we are just trying to ensure that citizens have all the facts and accurate information."

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As described in the <u>Daily Pilot</u>, Orange County Superior Court Judge Andrew Banks was prepared to hear arguments Wednesday afternoon on Scheafer's challenge when he was informed that Mesa Water had voluntarily agreed to remove the disputed language from the ballot question it had originally authored if Scheafer would waive his right to seek attorney fees against Mesa Water. The question will now read, "Shall the Mesa Water District and Costa Mesa Sanitary District pursue consolidation?"

"I got everything I was looking for," Scheafer said.

Mesa Water District has used assumptions derived from a study it commissioned earlier this year as the basis for its public relations campaign in support of the consolidation of the two agencies. It then framed a biased ballot question and sought to put that question on an advisory ballot.

"Several weeks ago, the County Board of Supervisors routinely approved a request by Mesa Water to place this measure on the ballot so that some 8,000 CMSD ratepayers outside Mesa Water service area would be able to vote on it, I knew it was critical that I challenge this unconstitutionally biased language," Scheafer said.

CMSD, in response, has sent documents to Mesa Water challenging the findings of that study, highlighting numerous misstatements, factual inaccuracies and baseless assumptions. Mike Scheafer, as a Costa Mesa taxpayer, challenged the wording of the ballot question and was successful in obtaining a writ of mandate deleting the objectionable language.

In July, CMSD submitted a series of Public Records Act requests to Mesa Water for more information related to this campaign. Earlier this week, Mesa Water District finally provided to CMSD readily available and commonly disclosed records, such as board agendas, minutes, staff reports, contracts, and studies. On June 13 of this year, these documents show, Mesa Water District received a combined service evaluation study from LA Consulting, Inc. The cost of this study was \$21,000, but its results were never disclosed. Just one month later, Mesa Water officials spent another \$30,000 on the study performed by Arcadis U.S., Inc. which they are now using to support the consolidation campaign.

"Mesa Water District has authorized more than \$300,000 on these studies and lobbyists, public relations firms and attorneys," Scheafer said.

"CMSD always held the position that we're more than happy to meet and talk about savings and how to provide the lowest rates and best service to our constituents, and if that involves a potential merger or consolidation, there's a process for that," Scheafer continued. "Unfortunately, what Mesa Water is doing is 180 degrees opposite from this well-established process, which is undertaken by the Local Agency Formation Commission (LAFCO), involves all stakeholders from the onset and would be completely transparent."